

**CONFIDENTIAL**Minutes of the Agency Contract Review Board

16 July 1969

PRESENT:



DD/ST# 2912-69

1. [redacted] convened the meeting by introducing the Audit Advisory member, [redacted] Chief, ICAD.

2. [redacted] then commented on the fiscal year-end rush of Board cases processed, stating that all had been expedited and no delays had been experienced.

3. It was announced that under the auspices of the ACRB, and by the courtesy of DD/S&T, [redacted] Chief, Program Control Branch of the Office of Supersonic Transport Development, FAA, will describe the management structure and procedures used in the contractor evaluation and selection for the SST program, as well as the schedule and cost control employed in controlling the program. The DD/P member stated that he did not see the applicability of this type of briefing to Agency work, but it was pointed out that this presentation is intended as an informational and educational instrument. There has been much interest expressed by the Board and the Office of Logistics, as well as by OSA and OSP personnel. The briefing is scheduled for 1000 hours on 6 August 1969 in the OL training room, but will probably be changed to Headquarters due to the large number of probable attendees (50 are anticipated).

4. [redacted] then presented statistics of interest concerning procurement activity, including dollar and action volumes. The members of the Board posed several questions, plus the comment that PPB should be able to inspect the statistical charts.

5. [redacted] commented briefly on a six-hour visit of the Inspector-General during the preceding week. There were no conclusions drawn or forecasts made.

6. Logistics Briefing No. 16, treating some incentive philosophy conclusions drawn from an in-depth study by the Logistics Management Institute, was given by [redacted] Some of the thinking was carried into the discussion of the [redacted] case described below.

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7. [ ] presented his thoughts on the FY 1970 ACRB program, relating to the problem studies and recommendations. It continues to be a prime function of the Board, as required by Agency directive, that it consider stipulated procurements. The Office of the ACRB also has certain periodic on-going duties to perform under the auspices of the Board. However, there are six general areas of interest on which the Director of Logistics has indicated that he wishes findings. In addition, some members of the Board have asked for at least some exploration into several other areas where problems may or may not exist, or where recommendations may or may not be made. It is obvious that there must be some restriction on the number of projects, but any worthwhile idea must be explored. [ ] expressed the thought that in order to "begin," one avenue could be sub-Board meetings, from which full Board considerations and recommendations to the Director of Logistics could result. He suggested the following:

a. Patent Procedures and Policies:

b. R&D Costs:

c. Overruns:

d. Contract Security Study:



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NOTE: After the foregoing are under way, the remaining areas for 1970 will be activated. [ ] will begin a PERT chart on the work and will report to the Board at each meeting. From the findings will come Board deliberations and recommendations.

8. The new monthly procurement issuance, "Resume" was discussed and it was explained that it is on a trial basis.

9. The Board then re-opened its study of the current [ ] letter contract. See [ ] and Amendments 1 and 2. The Director of Logistics has expressed his dismay over the length of time required to finalize the arrangements. The DD/P member wondered who is insisting on the use of a CPIF contract, in view of all the criteria problems. The aspects of CPIF finalization of the contract after the lengthy letter contract are twofold:

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a. How is the contractor, if he does not know the CPIF guidelines, managing the contract performance in an incentive manner?

b. At negotiation, if the contractor has managed his contract for this length of time in a certain incentive direction, why will he not be in a much better position to know his definite incentive negotiation goals than the Government?

It was decided to request the Chief, PMS/DD/S&T to appear before the Board to discuss these and similar matters in the case.



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Chairman  
Agency Contract Review Board

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